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DAILY BRIEF

I. THE COMMUNIST BLOC

OK Soviet note on Geneva talks: The Soviet bloc delegates apparently will be on hand for the opening of the Geneva technical talks on 1 July. Moscow's 28 June aide-memoire omitted the implied boycott threat which was contained in the note of 25 June and which appears to have been intended to draw the United States into a polemical exchange on the issue of a prior agreement in principle to a test cessation. The latest note suggests, however, that the bloc delegates from the outset will refuse to proceed with technical discussions until the United States makes an "unequivocal statement" agreeing that the experts' meeting should be "subordinated" to the "main task" of achieving a test-cessation agreement. (Page 1)

OK Poland - USSR: Gomulka's speech on 28 June in which he gives the Polish position on the execution of Nagy brings him nearer the bloc position on Yugoslav revisionism but uses much milder language than Soviet and other Satellite declarations. Gomulka probably hopes that by his concession on Nagy, by his attacks on the West, and by renewed assurances that Poland will never leave the bloc, he can ease the pressure on Poland to conform.

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III. THE WEST

Nd Panama: Political tensions and student unrest are again building up following the lifting of the state of siege imposed after rioting in May. Further serious outbreaks against the government could erupt at any time and might lead to anti-American incidents.

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DAILY BRIEF

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I. THE COMMUNIST BLOC

Soviet Decision to Send Bloc Delegates to Geneva Talks

The USSR apparently decided to send the bloc delegation to the Geneva talks on detecting nuclear tests only after it realized that its 25 June aide-memoire, with the implied threat of a boycott, had failed to produce its intended results. Soviet leaders probably hoped this threat would seriously embarrass the United States by forcing it either to accept or reject the Soviet demand for "a confirmation that the experts' conference is to be subordinated" to the task of achieving a test-cessation agreement. This objective was reflected in the 28 June note's charge that the United States has evaded clarifying its position on the "basic question, namely the purpose that the meeting of experts should serve."

This latest note suggests that the bloc delegation will immediately take the position that the experts cannot proceed with technical discussions until their governments have reached a "full and clear understanding regarding the purpose of this conference." Moscow declared that unless the meeting is devoted to the "main task" of ensuring a cessation of tests, "it will be a waste of time and can only deceive the peoples." The note concludes by calling on the United States to make "an unequivocal statement" on this issue.

While the bloc delegates stall in Geneva, Moscow can be expected to mount heavy diplomatic and propaganda pressure on the United States, insisting that there must first be a political agreement committing all parties to the principle of a test cessation before the Geneva experts can take up the technical aspects of the problem.

This line of action would be consistent with a resurgence of the Kremlin's long-standing unwillingness to be drawn into detailed negotiations on inspection and control of a disarmament agreement. Moscow probably believes that the West stands to gain more from such talks than the USSR and that protracted technical negotiations would dangerously inhibit its freedom of action should it decide to resume nuclear testing.

Gomulka's Speech on Nagy

In his speech in Gdansk on 28 June, Gomulka for the first time criticized Yugoslavia for its refusal to enter the bloc, and blamed the current bloc dispute with Belgrade, in contrast to that of 1948-54, on Yugoslavia. He used much milder language, however, and took a far less critical line toward Belgrade than has the rest of the bloc. At the same time, Gomulka criticized Nagy's revisionist ideas, said that he gradually capitulated to the counterrevolutionaries during the Hungarian uprising, but did not charge Nagy with a long-prepared "conspiracy," as does the rest of the bloc, and avoided a commitment on the severity of the sentence by stating that this was an internal Hungarian matter.

Gomulka also bitterly attacked the West, especially in connection with recent reports concerning Polish opposition to the bloc line on Nagy, and renewed his assurances that Poland will never leave the bloc. He warned "reactionary forces" in Poland who dream of a "second stage," similar to Western-type Socialism, and who consider the Gomulka experiment only temporary. Gomulka probably hopes that by taking this line he can stave off the current strong pressure on Poland to conform, and Yugoslav-Polish relations will doubtless deteriorate to some extent. The move, however, was not unexpected by the Yugoslav leaders, and Tito accordingly will probably increase his efforts to promote his "third force" concept during Nasir's forthcoming visit to Brioni.

Despite Gomulka's public concession, the Poles, by their treatment of the Nagy issue after the announcement of the execution, had already made their feelings clear. After publication of the Hungarian communiqué on 18 June, the Polish press did not comment on the Nagy affair until 25 June, when Trybuna Ludu published a summary of the Moscow Pravda article on Western reaction. Meanwhile, on 18 June the Polish foreign minister privately expressed the view that if Gomulka had known of the executions he would not have visited Budapest in May, and Radio Warsaw broadcast Chopin's funeral march on the same day, apparently in honor of Nagy and his associates.



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III. THE WEST

Political Tension Mounting in Panama

Political tension and student unrest are again building up in Panama following the lifting of the state of siege imposed after the riots last month. Many influential Panamanians, including some cabinet members, now feel that President Ernesto de la Guardia will not last out his term. Further serious outbreaks against the government could erupt at any time and might involve anti-US incidents. Powerful opposition politicians are exploiting nationalistic grievances against US policies in the canal zone. They accuse the President of overfriendliness to the United States and may, as they have in the recent past, press exaggerated demands for US concessions in an attempt to discredit the President. Dr. Milton Eisenhower's proposed visit in mid-July might be used to embarrass the government.

The National Guard, Panama's only armed force, supports the President. It had difficulty in suppressing the May riots, however, and is now on the defensive for alleged brutality it used then.

Communists are active among the politically motivated and nationalistic student groups, which provoked the May riots and have become more aggressive and arrogant since the President acceded to their demands. The influential opposition press and radio are deliberately encouraging the students, who seem to be seeking an excuse to provoke new disturbances.

Although present unrest is due chiefly to the chronic struggle for power among members of Panama's small and wealthy ruling clique, there is danger that attempts to manipulate student unrest and economic and nationalistic grievances might get out of hand in Panama's overcrowded and poverty-stricken cities.